

August 20, 2002

MEMORANDUM FOR: Distribution

FROM: R. J. Dominic (signed by *E. A. Wolfgang*) for
Director, Finance Office/Comptroller

SUBJECT: FY 2002 Financial Statement
Information Requirements Schedule

Attached is a schedule with due dates of required information that the Finance Office needs to receive to prepare NOAA's Fiscal Year (FY 2002) financial statements.

It is imperative that NOAA submits its draft FY 2002 financial statements to the Department of Commerce (DOC) by November 4, 2002. This is three weeks sooner than last fiscal year. Therefore, it is critical that the attached tasks are completed on time to meet that date. Additionally, a checklist is attached to ensure that financial information forwarded back to the Finance Office is fairly stated and meets or complies with applicable management assertions. I recommend that you continue to use the checklist, prior to submitting information to the Finance Office.

As you comply with our request for FY 2002 financial statement information, we ask that you continue to look toward the future. Please evaluate your procedures to identify ways to improve efficiencies in compiling the information. In FY 2003, unaudited financial statements will be due quarterly and must be submitted to OMB no later than 45 days after the end of the reporting period.

To facilitate distribution, an electronic version of this memorandum, and its attachments, may be found at http://www.rdc.noaa.gov/~finance/audit_info.htm.

Please provide your responses back to the Finance Office no later than the assigned due dates. For audit purposes, it is necessary that we receive either a positive or negative consolidated reply from each NOAA Line/Staff Office.

Responses may be sent as follows:

By Mail: NOAA Finance Office
ATTN: Nancy Gates
CXX1 Building, Room 3125
20020 Century Blvd.
Germantown, MD 20874

By Fax: (301) 427-2040
ATTN: Nancy Gates

By E-Mail: Nancy.M.Gates@noaa.gov

Your assistance and cooperation are greatly appreciated as we strive to maintain an unqualified audit opinion for the Department of Commerce. If you or your staff have any questions, or if you would like to receive a copy of your FY 2001 submission to the Finance Office as a guide, please call Ted Wolfgang or Nancy Gates on (301) 413-2100.

Attachments

Distribution:

Chief Financial Officers/
Management & Budget Chiefs
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Division Chiefs
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**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

Department of Commerce

1. Payroll data for FY 2002 for Pensions and Other Retirement Benefits. (10/11/02)
2. Contingency information related to legal issues (contract, personnel, tort, etc.) that could impact NOAA and BIS financial statements. This should be coordinated with NOAA GC. (10/18/02)
3. Listing of NOAA Judgement Fund Payments for FY 2002. (10/18/02)
4. Workers Compensation information provided by DOC OFM obtained from DOL. (10/18/02)

NOS, NMFS, OAR, NWS, NESDIS, OMAO, and OFA

1. All FY 02 Reports of Capitalized Construction Work In Process (CWIP) Form 37-6, for both real and personal property. Each 37-6 line item cost should contain a corresponding valid task number, object class, and original fiscal year as stated on the IFIMA CWIP Report (15C Report). (9/20/02 to Property Office and 9/27/02 to Finance Office)
2. Information for all new commercial cash accounts used for official business purposes. (10/11/02) (*Attachment A*)
 - A. Provide details such as organization, account title, account type, account number, purpose of the account, financial institution and address, names of individuals with authorized signature authority, or names of individuals who manage the account.
 - B. Include accounts opened during FY 2002, but do not include lock box deposits.
3. September 30, 2002 balance of cash accounts held in commercial bank accounts. (10/11/02) (*Attachment A*)
4. Listing and description of leases with NOAA or BIS as the Lessor. (10/11/02) (*Attachment B*)
5. Submit to OFA211, material FY 02 manual obligation adjustments. (10/09/02)
6. Detail of any incidents through 9/30/02, which qualify as government acknowledged events. Information such as a description of the event, authorizing legislation, date of the event and any applicable exchanges, amounts of liability including an estimate if the exact amount is unknown, and any other applicable information. Only report events where the liability is greater than or equal to \$1 million. (10/18/02) (*Attachment C*)

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

7. Schedule of prepayments and advances as of 9/30/02 for FY 02 and later transactions. (10/18/02)
(Attachment D)

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8. Financial commitment information for long-term contracts for purchase, construction, and modernization of equipment, facilities, etc. (Satellites and Weather Service related) (10/18/02)
(Attachment E)
9. Reconciliation of all CWIP costs to the 15C Report as of 9/30/02 including FY 02 additions and deletions. Include any necessary adjustments to the 9/30/01 balances. (10/18/02)
For the current format, refer to: http://www.rdc.noaa.gov/~finance/financial_policy.htm
10. Where NOAA provides goods and services to the public and/or another government entity at prices less than full cost, provide the following information: (10/18/02)
- A. Differences in pricing policy from the full cost or current market pricing guidance;
 - B. Exchange transactions with the public in which prices are set by law or executive order and are not based on full or market price;
 - C. The nature of transactions with other Federal entities in which NOAA provides goods or services at a price less than full cost or does not charge a price at all, with explanations of the amount and reason for disparities between the billing (if any) and the full cost; and
 - D. A brief paragraph describing how the FY 2002 prices were computed.

IN ADDITION TO THE ABOVE, SPECIFIC OFFICE REQUESTS ARE AS FOLLOWS:

OMAO, Commissioned Personnel Center (CPC)

- 1. Contract with Hay Group, or other contractor, to prepare actuarial reports for both NOAA Corps retirement benefits and health benefits. (8/23/02)
- 2. Obtain copy of actuarial reports from plan actuary, Hay/Huggins, Washington, DC. for the NOAA Corps pension and health benefits plans, to submit to OFA212. The reports should also contain the following information: (10/18/02)
 - A. FY 02 pension and health benefits expense, net of the following components: (10/18/02)
 - 1. Normal cost;

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

2. interest on the unfunded pension liability during the period;
3. prior (and past) service cost from the plan amendments (or the initiation of a new plan) during the period, if any; and
4. actuarial gains or losses during the period, if any.

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3. Amount NOAA contributed to the NOAA Corps Retirement System during FY 02. (Obtain from NOAA Corps actuarial report prepared by the plan actuary.) (10/18/02)

NESDIS, Budget and Planning Office (E/BP)

1. Financial commitment information for long-term contracts for the purchase, construction, and modernization of satellites. (10/18/02)
(Attachment E)
2. Reconciliation of all satellite CWIP costs to the 15C Report as of 9/30/02 including FY 02 additions and deletions. Include any necessary adjustments to the 9/30/01 balances. (10/18/02)
3. Reports and schedules, including supporting documentation for satellite additions and disposals for FY 02 and related accumulated depreciation additions and disposals. (10/18/02)

NOAA Office of General Counsel (GC)

1. September 30, 2002, balance of cash accounts held in commercial bank accounts. (Specifically, Bank of America, Certificate of Deposit, for St. Paul Island, Alaska.) (10/11/02)
(Attachment A)
2. Contingency information related to legal issues (contract, personnel, tort, etc.) that could impact NOAA financial statements. (10/18/02)

NOAA Assistant General Counsel for Enforcement and Litigation (GCEL)

1. Schedule/reports and supporting documentation for seized and forfeited property as of 9/30/02 related to Civil Monetary Penalty (CMP) Enforcement. (10/18/02)

NOS, Office of Ocean and Coastal Resource Management (N/ORM)

1. Information for all new commercial cash accounts used for official business purposes. (10/11/02)
(Attachment A)
 - A. Provide details such as organization, account title, account type, account number, purpose of

FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)

the account, financial institution and address, names of individuals with authorized signature authority, or names of individuals that manage the account.

B. Include accounts opened during FY 2002, but do not include lock box deposits.

2. September 30, 2002 balance of cash accounts held in commercial bank accounts. Specifically, trust accounts from foreclosure. (10/11/02) (***Attachment A***)

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3. A schedule of Category A and B costs, by task code at year-end, if applicable. (10/18/02)
4. Reports, schedules and supporting documentation for CZMF accounts receivable and estimated allowances. (10/18/02)
5. An updated valuation schedule for CZMF Foreclosed Property, as of 9/30/02, calculating the fair market value using the latest FY 01 tax assessment bills. (10/18/02)
6. Detail of direct loan program administrative expenses by task code to be included in NOAA's FY 02 consolidated financial statements, Note 7, concerning credit program receivables and related foreclosed property. (10/18/02)
7. Information for Federal upkeep of collateral assets, including a recap of all properties sold during FY 02; their individual sales prices; and gains and losses. (10/18/02)
8. A summary dollar total of all Port Arthur properties sold as of 9/30/02 cumulative to the beginning of the sales program. (10/18/02)
9. Check register, schedule, or bank statement detailing all FY 02 transactions in the commercial bank account for the Port Arthur project. (10/18/02)
10. Report of deferred maintenance for stewardship assets. Include identification of each major class of asset (i.e., heritage assets, etc.), method of measuring deferred maintenance, cost range of deferred maintenance, condition of asset, and other disclosures as required by SFFAS # 6, #8, and #14, and other applicable regulations. (10/18/02)
11. Detailed report of stewardship property for stewardship land and heritage assets. Required information includes a detailed description of assets, the number of units added and withdrawn and the end-of-year number of physical units, description of the methods of acquisition and withdrawal of the assets, cost of acquiring assets, condition, identification of any deferred maintenance, and any other required information as outlined in SFFAS No. 6, 8, and 16. If an asset is to be removed from the balance

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

sheet, please report the net book value of the asset as of the beginning of the period. Include the acquisition cost and balance of accumulated depreciation as of the beginning of the reporting period- October 1, 2001. NOS needs to provide this information directly to the Property Office (OFA722) instead of the Finance Office (OFA2). OFA722 would then send a consolidated response to Finance. (10/18/02)

12. Report of any stewardship assets transferred or donated to NOAA including book value and fair value. (10/18/02)
13. Detail of stewardship investments including all required information on the following: (10/18/02)
 - A. Non-Federal physical property; and,
 - B. Human capital.

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The following information, at a minimum, should be reported:

- A. Annual investment made in the year ended, as well as in each of the 4 preceding years.
- B. Narrative description of the major programs/projects for Federal investments, and the major agencies reporting on these programs. Reports of all stewardship property, plant, and equipment.
- C. Program outcomes of investment in human capital, in accordance with SFFAS #8.

Office of Sustainable Fisheries, Financial Services Division (F/SF2)

1. Data for Fishing Vessel Obligation Guarantees related to foreclosed property value and the accounts receivable allowance estimation as of 9/30/02. (10/18/02)
2. Subsidy calculation worksheet. (10/18/02)
3. Schedule of Notes Receivable as of 9/30/02 and corresponding interest rates and maturity dates of notes. (10/18/02)

NWS, Comptroller Division (W/CFO2) and National Logistics Support Center (NLSC) (CCx2)

1. Reports and schedules for 9/30/02 NLSC supplies, and equipment physical inventory. (10/18/02)
2. Reconciliation between the 9/30/01 ending operating materials and supplies inventory balance and the ending inventory per the physical inventory report as of 9/30/02 for both supplies and equipment. (10/18/02)

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

3. Report of total excess, obsolete, and unserviceable inventory for both supplies and equipment. (10/18/02)
4. Carrying amount and net realizable value of the excess, obsolete, and unserviceable items. (10/18/02)
5. Disclose any changes in the methodology for calculating the allowance for excess, obsolete, and unserviceable items. (10/18/02)
6. Report of Inventory held for repair. (10/18/02)
7. Detailed report of restrictions on the sale, use, or disposition of inventory. (10/18/02)
8. Report the methodology used to identify the correct category to which inventory is assigned and any changes to this methodology. (10/18/02)

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NWS, Office of Operational Systems, National Reconditioning Center (NRC) (W/OPS16)

1. Reports and schedules for 9/30/02 NRC supplies physical inventory. (10/18/02)
2. Carrying amount and net realizable value of the excess, obsolete, and unserviceable items. (10/18/02)
3. Disclose any changes in the methodology for calculating the allowance for excess, obsolete, and unserviceable items. (10/18/02)
4. Disclose any restrictions on the use or disposition of inventories. (10/18/02)
5. Report of Inventory held for repair. (10/18/02)
6. Report the methodology used to identify the correct category to which inventory is assigned and any changes to this methodology. (10/18/02)

SPECIFIC OFA OFFICE REQUESTS ARE AS FOLLOWS

Information Systems Management Office, Administrative Systems Division (OFA11)

1. Provide download of FIMA detail files to OFA21 so that audit sampling documents can be selected by KPMG. (10/11/02)

Finance Office, Financial Reporting Division, Funds Management Branch (OFA211)

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

1. Provide instructions to NOAA's Financial Management Centers for processing material FY 02 manual obligation adjustments which are necessary after the issuance of final reports. (9/6/02)
2. Schedule of amount of seized cash within Suspense Fund at 9/30/02. (10/18/02)

Finance Office, Accounting Operations Division (OFA23)

1. Late Payment Penalty information to be included in the Overview Financial Management Performance Measures section. (10/18/02)
2. Detailed report on the number of payments (vendor, payroll, travel, etc.) made via electronic funds transfer, total payments by category, and percentage made via EFT. (10/18/02)

Finance Office, Accounting Operations Division, Receivables Branch (OFA233)

1. Information regarding direct loans at September 30, 2002, including the following: (10/18/02)
 - A. Report of outstanding direct loans.
 - B. Report of related interest accrued.
 - C. Report of delinquencies (i.e., the Schedule of Non-Performing Loans, including principal and interest for the first 180 days).
2. Schedule for Fishing Vessel Obligation Guarantee (FVOG) 180-day interest. (10/18/02)
3. Fisheries Loan Fund data. (10/18/02)
4. Obligation Guarantee Financial Information System reports and Coastal Fund Management data. (10/18/02)
5. Notes Receivable schedule from OGFIS and supporting documentation - this schedule should agree with the Receivable Report. (10/18/02)
6. Reports and schedules for intragovernmental and non-intragovernmental unearned revenue for appropriated general funds. (10/18/02)
7. Report for Guaranteed Loan Contingencies. (10/18/02)

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

Budget Office (OFA3)

1. Schedule of Category A and B obligations by fund for FY 2002 year-end. (10/28/02)
2. Provide detail of any research and development projects including the following: (10/18/02)
 - A. Annual investment or expenditure (in accordance with SFFAS No. 4) reported in three categories: Basic Research, Applied Research, and Development. Report annual investments, by separate categories, made in the current fiscal year and each of the 4 years preceding, or since RSSI reporting began in FY 1998. Reporting should be at the Line/Staff Office level. Report outlays for the previous 4 years if expenditures are not available.
 - B. Detailed narrative description of major research and development programs.
 - C. Report of the amount of significant state, local, private, or foreign total contributions to shared or joint programs, if information is available.
 - D. Program outcomes and measures of investment in research and development.

HRMO, Programs and Plans Division (OFA41)

1. Schedule of accrued annual leave including credit, comp., leave transferred in, and shore leave at 9/30/02. (10/18/02)

Grants Management Division (OFA62)

1. Schedule for grant deobligations to be recorded as of 9/30/02. This should be coordinated with OFA23. (10/18/02)
2. Schedule of all grantees (expired and current grants) cash on hand, including negative and positive amounts, at 9/30/02. (10/18/02)

Facilities Office, Facilities Services Division (OFA72)

1. Capital lease and operating lease reports and schedules for FY 02 **by task and fund type** along with supporting documentation including the following: (10/18/02)
 - A. Provide separate disclosure of all capital lease acquisitions and disposals during the current fiscal year that are to be audited, including property descriptions and acquisition/disposal

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

dates.

B. Provide detail of current fiscal year depreciation expense by task code, which includes the effect of current fiscal year acquisitions, disposals, and prior period adjustments.

C. Provide a detailed reconciliation/roll-forward of capital lease depreciable basis and accumulated depreciation from the September 30, 2001, ending balances to the September 30, 2002, ending balances. This reconciliation should detail items such as current fiscal year depreciation expense, acquisitions, prior period adjustments, and any other information necessary to complete the rollforward.

D. Provide separate detail of all adjustments required to prior period balances at 9/30/01 including the cause for the adjustment such as errors or policy changes.

E. Allocate the current fiscal year lease payments between a reduction of the obligation (principle balance) and interest expense calculated based on the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the liability.

F. Provide amount of capital leases that are fully funded as required by OMB Bulletin 01-09, as amended.

G. Provide any necessary changes to the lease summaries and description within Note 20 of NOAA's September 30, 2001, consolidated financial statements. Include future minimum lease payments and identification of funded and unfunded portions.

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2. Personal property reports and schedules as of 9/30/02 by fund and by object class for all of NOAA along with supporting documentation. This includes additions, disposals for property and equipment and related accumulated depreciation additions and disposals by task code and totals by fund/appropriation for FY 02 including satellites and their related ground support systems. Include a schedule of prior period adjustments and depreciation expense by task code. (10/18/02)

A. Provide separate disclosure of all property acquisitions and disposals during the current fiscal year that are to be audited, including property descriptions and acquisitions/disposal dates.

B. Provide current fiscal year depreciation expense which includes the effect of current fiscal year acquisitions and disposals, and prior period adjustments.

C. Provide a detailed reconciliation/rollforward of personal property depreciable basis and accumulated depreciation balances from the September 30, 2001, ending balances to the September 30, 2002, ending balances. This reconciliation should detail items such as current fiscal year depreciation expense, acquisitions, prior period adjustments, and any other information necessary to complete the roll-forward.

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

D. Provide separate detail by fund type and task code of all adjustments required to prior periods including the cause for the adjustment such as errors or policy changes.

E. Provide any necessary changes to the property summaries and descriptions within Notes 1, 10, and 20 of NOAA's September 30, 2001, consolidated financial statements.

3. Schedule of personal property owned by NOAA, but used by Federal contractors including cost and accumulated depreciation. (10/18/02)
4. Schedule of unsupported personal property values as of 9/30/02 including cost and accumulated depreciation. (10/18/02)
5. Provide a report of deferred maintenance by project. The report should roll-forward deferred maintenance reported at 9/30/01 to balances reported at 9/30/02, including additions and deletions of projects and costs. Include identification of each major class of asset (i.e., ships, vehicles, planes, etc.), method of measuring deferred maintenance, high and low range of estimated deferred maintenance costs, and other disclosures as required by SFFAS #6, #8, #14, and other regulations. (10/18/02)
6. Detailed report of stewardship property including stewardship land, and heritage assets. Information such as number of units added and withdrawn, and the end-of-year number of physical units, description of the methods of acquisition and withdrawal of the assets, acquisition cost of asset, condition, identification of any deferred maintenance, and any other required information as outlined in SFFAS #6, #8, #14, and #16 should be included. (10/18/02)
7. Detailed report of multi-use heritage assets identified, if necessary. If multi-use heritage assets are identified, please disclose how the predominant use of the asset was determined. (10/18/02)

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8. Report of any stewardship assets transferred or donated to NOAA including book value and fair value for any multi-use heritage assets. (10/18/02)
9. Detailed listing of all capitalized properties sold, or disposed, or removed during FY 02. Provide the following information regarding each property item: (10/18/02)
 - A. Identification number;
 - B. Asset description and name;
 - C. Acquisition cost;
 - D. Accumulated Depreciation;
 - E. FY 02 depreciation expense;
 - F. Date disposed/sold;
 - G. Sales price;
 - H. Gain or loss;
 - I. Net book value; and

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

J. Net realizable value.

If property was traded in, please detail any proceeds which were received from the trade, if any.

10. Listing of property excessed during FY 02, and the date which the property was removed. Include the date which the property was excessed (date when depreciation was no longer taken/calculated). (10/18/02)
11. Access to all personal property database files required by KPMG to select audit samples and verify account balances. (10/18/02)
12. Reconciliation of substitute property system ending balances to the property balances, including items in suspense accounts. (10/18/02)
13. A summary of the cost by fund and by task of all expenses incurred during FY 02 to acquire, improve or renovate heritage assets. (10/18/02)

Facility, Acquisition and Management Division (OFA73)

1. Capital lease and operating lease reports and schedules for FY 02 **by task and fund type** along with supporting documentation including the following: (10/18/02)
 - A. Provide separate disclosure of all capital lease acquisitions and disposals during the current fiscal year that are to be audited, including property descriptions and acquisition/disposal dates.
 - B. Provide current fiscal year depreciation expense which includes the effect of current fiscal year acquisitions and disposals, and prior period adjustments.
- C. Provide a detailed reconciliation/roll-forward of capital lease depreciable basis and accumulated depreciation from the September 30, 2001, ending balances to the September 30, 2002, ending balances. This reconciliation should detail items such as current fiscal year depreciation expense, acquisitions, prior period adjustments, and any other information necessary to complete the roll-forward such as location, function/description, imputed interest, executory costs, future minimum lease payments, annual depreciation, length of lease, OMB category of equipment, accumulated depreciation, depreciable life, and salvage value.
- D. Provide separate detail of all adjustments required to prior period balances at 9/30/01 including the cause for the adjustment such as errors or policy changes.

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

E. Allocate the current fiscal year lease payments between a reduction of the obligation (principle balance) and interest expense calculated based on the effective interest method so as to produce a constant periodic rate of interest on the remaining balance of the liability.

F. Provide amount of capital leases that are fully funded as required by OMB Bulletin 01-09, as amended.

G. Provide any necessary changes to the lease summaries and description within Note 20 of NOAA's September 30, 2001, consolidated financial statements. Include future minimum lease payments and identification of funded and unfunded portions.

2. Real property and schedules **by task and fund type** as of 9/30/02 along with supporting documentation. This includes the following: (10/18/02)

A. Provide separate disclosure of all real property acquisitions and disposals during FY 02 that are to be audited, including property descriptions and acquisition/disposal dates.

B. Provide current fiscal year depreciation expense by task code which includes the effect of current fiscal year acquisitions and disposals, and prior period adjustments. Include a separate report on depreciation expense by task code and property type.

C. Provide a detailed reconciliation/roll-forward of real property depreciable basis and accumulated depreciation balances from the September 30, 2001, ending balances to the September 30, 2002, ending balances. This reconciliation should detail items such as current fiscal year depreciation expense, acquisitions, prior period adjustments, and any other information necessary to complete the roll-forward.

D. Provide separate detail of all adjustments required to prior periods including the cause for the adjustment such as errors or policy changes.

E. Provide any necessary changes to the property summaries and descriptions within Note 1, 10, and 20 of NOAA's September 30, 2001, consolidated financial statements.

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3. Schedule of unsupported and excessed real property values as of 9/30/02. (10/18/02)

4. Provide a report of deferred maintenance by project. The report should roll-forward deferred maintenance reported at 9/30/01 to balances reported at 9/30/02, including additions and deletions of projects and costs. Include identification of each major class of asset (i.e., equipment, buildings, etc.), method of measuring deferred maintenance, and other disclosures as required by SFFAS #6, #8, #14 and other regulations. (10/18/02)

5. Detailed report of stewardship property including stewardship land and heritage assets. Information

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

such as number of units added and withdrawn and the end-of-year number of physical units, description of the methods of acquisition and withdrawal of the assets, acquisition cost of asset, condition, identification of any deferred maintenance, and any other required information as outlined in SFFAS #6, #8, #14 and #16 should be included. (10/18/02)

6. Detailed report of multi-use heritage assets identified. If multi-use heritage assets are identified, please disclose how the predominant use of the asset was determined. (10/18/02)
7. Report of any stewardship assets transferred or donated to NOAA including book value and fair value for any multi-use heritage assets. (10/18/02)
8. Detailed listing of all capitalized properties sold, or disposed, or removed during FY 02. Provide the following information regarding each property item: (10/18/02)
 - A. Identification number;
 - B. Asset description and name;
 - C. Acquisition cost;
 - D. Accumulated Depreciation;
 - E. FY02 depreciation expense;
 - F. Date disposed/sold;
 - G. Sales price;
 - H. Gain or loss;
 - I. Net book value; and
 - J. Net realizable value.

If property was traded in, please detail any proceeds which were received from the trade, if any.

9. Listing of property excessed during FY 02, and the date which the property was removed. Include the date which the property was excessed (date when depreciation was no longer taken/calculated). (10/18/02)

Environmental Compliance and Safety Division (OFA74)

1. Reports, schedules, and supporting documentation for environmental and non-environmental contingent liability estimates, including - funded and unfunded amounts, whether contingencies are probable, reasonably possible, or remote; and the portion of the liability due to other Federal agencies versus the

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

public. Schedule should insure that estimates have been reduced by FY 02 project disbursements.
(10/18/02)

Point of Contact

If you would like a copy of your FY 2001 submission to the Finance Office or FY 2001 audited financial statement disclosure, or you have any questions, you can contact Nancy Gates at (302) 413-2125. You may fax responses to (302) 427-2040, or forward responses to the following address:

Nancy Gates, OFA212
Finance Office, NOAA
20020 Century Boulevard, Room 3125
Germantown, Maryland 20874

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

Possible Cash Accounts with Commercial Banks

As in prior years, we are requesting that you verify if any funds exist on deposit at any commercial financial institutions for official NOAA purposes. This includes commercial bank accounts opened prior to October 1, 2001, and during FY 2002. The request does not concern lock box deposits which are turned over to the Department of the Treasury at the end of each business day. If any cash balances are reported in lock box accounts, they are automatically reported on NOAA's FY 2002 financial statements.

For any new commercial accounts, please provide us with the purpose of the fund, commercial bank name and address, account number, account title, balance as of September 30, 2002, authorized signatures, and any other information you consider relevant. Please submit the requested information back to the Finance Office by October 11, 2002. Provide a negative response if there are no new commercial bank accounts.

**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

Attachment B

Leases with NOAA or BIS as the Lessor

The Office of Management and Budget (OMB) Bulletin 01-09, as amended, requires that capital and operating leases be identified for disclosure in the year-end financial statements. As you are aware, internal control procedures have been adopted by your office to gather the required information pertaining to leases whereby NOAA or the Bureau of Industry and Security (BIS) is the lessee. However, OMB also requires financial information on leases whereby NOAA or BIS is the **lessor**. Such information includes the category of assets leased out and the future projected receipts.

To assist in meeting OMB's requirements, please have your staff perform a review of outstanding reimbursable agreements and identify leases for NOAA's or BIS's assets, if any, that have future projected receipts. For those identified agreements that would be outstanding as of September 30, 2002, please forward a copy of the lease and/or reimbursable agreement that describes the asset leased and the future projected receipts to NOAA and/or BIS by fiscal year.

Keep in mind that the information forwarded to us will be subject to audit by KPMG. This information is due to the Finance Office by the close of business, October 11, 2002. This time frame is required to allow our office time to review the lease agreements and adhere to OMB's disclosure requirements. For audit purposes, it is necessary that we receive either a positive or negative reply.

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Attachment C

Government-acknowledged Events for NOAA and BIS at September 30, 2002

Our contract auditors, KPMG LLP, stated in their report *Impact of OMB Bulletin 97-02, Form and Content of Agency Financial Statements, on NOAA* that NOAA is not aware of the definition of a government-acknowledged event and when the related liability should be recognized. In response to this finding, please note that Statement of Federal Financial Accounting Standards (SFFAS) No. 5 defines government-acknowledged events as those nontransaction-based events that are of financial consequence to the Federal Government because it chooses to respond to the event. The Federal Government has broad responsibility to provide for the public's general welfare and often assumes responsibilities for which it has no prior legal obligation. For example, costs from many events, such as toxic waste damage caused by non-Federal entities and other events under Damage Assessment and Restoration Fund-related activities could ultimately become the responsibility of NOAA or BIS. NOAA and BIS should not recognize a liability until, and to the extent that, the government formally acknowledges financial responsibility for the cost from the event and an exchange or non-exchange transaction has occurred.

SFFAS No. 5 also outlines criteria for events which meet the above definition and should be accrued and disclosed in the NOAA and BIS consolidated financial statements. NOAA and BIS should recognize a liability and an expense when both of the following two criteria are met:

1. Congress has appropriated or authorized (i.e., through authorization legislation) resources; and
2. an exchange occurs (e.g., when a contractor performs repairs) or non-exchange amounts are unpaid as of the reporting date, whichever applies.

In order to comply with SFFAS No. 5, and OMB 01-09 requirements, as amended, please review your records and report back to the Finance Office any incidents through September 30, 2002, which could qualify as a government-acknowledged event. Information such as a description of the event, authorizing legislation, date of the event and any applicable exchanges, amounts of liability including an estimate if the exact amount is unknown, and any other applicable information is requested. The liability includes amounts due from NOAA and BIS to pay for benefits, goods, or services provided under the terms of the program or legislation, as of September 30, 2002, whether or not such amounts have been reported to NOAA and BIS. Only report events for which the liability is greater than or equal to \$1 million. In order to properly include the liability and associated expenses in our FY 2002 financial statements, please submit the information requested back to the Finance Office by October 18, 2002. If no events are identified, please provide a negative response to that effect.

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Attachment D

Prepayments and Advances as of September 30, 2002

During a previous audit, KPMG LLP recognized that NOAA does not properly account for advances or prepaid expenditures in its financial statements. Advances and prepayments are asset accounts representing expenditures in contemplation of the receipt of goods, services, or other assets. In order to ensure that all arrangements involving prepaid rent or other prepaid expenditures are accounted for and recorded properly, I am requesting you to review your records and report to me any advances or prepayments over \$750,000. These expenditures do not include advances to grant recipients.

For example, KPMG discovered that NOAA administered a memorandum of understanding (MOU) with a major university. The MOU provided that NOAA would help pay up to \$1 million for the construction of a building which would be occupied by NOAA after construction. NOAA could occupy the building “rent free” for 40 years. KPMG determined that the payments made to the vendor should be recorded as prepaid rent. Once NOAA occupies the space, the prepaid rent will be amortized over 40 years. Yearly, the rent expense will be recognized and the prepayment will be reduced. The remaining balance in prepaid rent will be reflected as an asset on the financial statements.

In order to properly include the prepayments as assets in the FY 2002 financial statements, please submit the requested information back to the Finance Office by October 18, 2002. Specifically, this information should include the payee, date of payments, payment amounts, purpose of payment, and period of time the prepayment covers. The prepayments should include only payments, not obligations, made prior to September 30, 2002, for services or goods to be received after September 30, 2002. For audit purposes, it is necessary that we receive either a positive or a negative reply.

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Attachment E

Long-term Commitments as of September 30, 2002

We are required to disclose in our fiscal year-end financial statements information pertaining to significant (\$5 million or more) long-term commitments in effect as of September 30, 2002. A long-term commitment is defined as a contractual obligation, which existed on September 30, to enter into a transaction in the future. Examples include contracts for the purchase, construction, and modernization of various systems, satellites, and facilities. Lease contracts will not be included under long-term commitments. However, they will be included in the data collected for operating and capital leases.

For FY 2002 reporting, information pertaining to FY 2003 through FY 2007 is required to be reported separately. Information pertaining to FY 2008 and thereafter can be combined. If you would like a copy of the FY 2001 footnote disclosure as a guide, please contact Nancy Gates at (302) 413-2125. For audit purposes, it is necessary that we receive either a positive or negative reply.

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**FINANCIAL STATEMENT INFORMATION REQUIREMENTS SCHEDULE
FY 2002 (FY 02)**

**Field Checklist for Data Submissions to the Finance Office
Audit of NOAA's Consolidated Financial Statements**

Background: Financial statement audits performed by NOAA's contract auditors, KPMG LLP, have highlighted errors and other deficiencies in financial information included in NOAA's financial statements. Much of the information included in NOAA's consolidated financial statements is received at the Finance Office from NOAA's Line, Staff, and Field Offices.

Purpose: The purpose of this checklist is to ensure that financial information forwarded to the Finance Office from field elements is fairly stated and meets or complies with applicable management assertions. These assertions are made when financial information is submitted for inclusion in the consolidated financial statements subject to audit procedures.

Scope: This checklist should be completed by NOAA's Line, Staff, and Field Offices which submit financial information to the Finance Office to be included in NOAA's consolidated financial statements.

Assertions and General Limitations: The following assertions are made by managers when financial information is submitted to any party for inclusion in the financial statements and subject to audit procedures by NOAA's contract auditors.

1. **Completeness**--All financial information submitted is properly recorded and classified. All economic events that occurred in the current period should be recorded in the current period. The summarization of recorded transactions should not be understated.
2. **Existence or Occurrence**-- Recorded assets and liabilities, at a given date, should exist and be supported by appropriate detailed records. Recorded transactions should represent events that actually occurred and should be properly classified.
3. **Rights and Obligations**--Transactions are reported in the proper period and properly authorized. Assets and liabilities should be the entities rights and obligations, respectively, at a given date. Transactions recorded in the current period should represent economic events that occurred during the current period. Recorded assets should be owned by the entity.
4. **Valuation and Allocation**--Financial information is accurate and reliable. Transactions should be recorded at correct amounts. Assets and liabilities included in the financial statements should be valued on an appropriate valuation basis.
5. **Presentation and Disclosure**--Financial information is properly exhibited in the financial statements in accordance with applicable laws and regulations. Accounts should be properly classified and described in the financial statements. The financial statements or footnotes should contain all information required to be disclosed.

Field office personnel should use judgment when completing the following checklist to ensure the accuracy and reliability of information submitted to the Finance Office for inclusion in the consolidated financial statements. The following steps or procedures are not an all inclusive list and, further, may not be applicable to the type of information submitted. Although the checklist was constructed to present the pertinent procedures under each assertion, be aware that many procedures provide support for multiple assertions. Where procedures involve sampling, the number of items reviewed and methodology of choosing the sample (i.e., statistical, judgmental, or haphazard sample) is at the discretion of the field office. If any procedures are not applicable to the financial information presented by your office, write NA in the explanations column. Users of this checklist should modify the procedures accordingly with approval by field office management.

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Assertion and Procedure	Procedure Completed		Explanations
	Yes	No	
<i>Completeness</i>			
1. Perform analytical procedures--compare quantities, amounts or other information to prior year balances and investigate any unusual fluctuations. Obtain explanations for large differences.			
2. If subsidiary records and support are maintained, trace (1) all or a sample of subsidiary items to summary records, and (2) all or a sample of items on summary schedule to subsidiary records to ensure completeness of all schedules.			
<i>Existence or Occurrence</i>			
1. Inspect and count all or a sample of items reported.			
2. Choose a sample of items in the summary schedules and agree to supporting documentation. For example, trace inventory items on supporting schedules to physical counts of inventory, or individual costs to vendor invoices.			

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Assertion and Procedure	Procedure Complete Yes No	Explanations
3. For information such as property, plant, and equipment, review subsidiary records for unrecorded retirements.		
<i>Rights and Obligations</i>		
1. Review cutoffs at year end (September 30). For example, review subsequent receiving reports (after 9/30) for inventory to ensure that inventory received on or before the cutoff date is included as inventory held, and any inventory received after the cutoff date is not included in inventory.		
2. Also see procedures for existence.		
<i>Valuation and Allocation</i>		
1. Foot and crossfoot summary schedules.		
2. Reconcile summary schedules to financial management systems such as RSMIS, if possible.		
3. Where information being submitted involves calculations, re-calculate items on a test basis. For example, re-calculate monthly or annual depreciation expense for a sample of property items.		

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4. Foot and crossfoot subsidiary schedules.		

Assertion and Procedure	Procedure Complete		Explanations
	Yes	No	
5. Review information for overall reasonableness. For example, if write-offs of receivables have averaged \$6,000 for the past 10 years, and the allowance for doubtful accounts is valued at \$15,000, investigate the cause of the unusually high allowance.			
<i>Presentation and Disclosure</i>			
1. Review disclosure requirements such as OMB Bulletin 01-09, as amended, or the SFFAS's for the areas which your office is submitting financial information to ensure all information has been provided to Finance.			
2. Review the information to be submitted for adequacy. Is information submitted sufficient to meet reporting and disclosure requirements? If not, obtain necessary information to be included in the data submission.			
3. Are there any liens, or restrictions on the information, or assets/liabilities being submitted to Finance? For example, NOAA owns property or other assets, but there are 3rd party claims against the property. Is this information disclosed?			

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3. If there are any questions concerning the adequacy of the information submitted to the Finance Office, contact FO and discuss your concerns.		